

CITY OF SHOREVIEW

ORDINANCE NO. 1056

AN ORDINANCE AMENDING CHAPTER 10, BUSINESSES, REGARDING BACKGROUND INVESTIGATIONS AND CANNABIS BUSINESSES

The Shoreview City Council ordains that Chapter 10, Businesses, of the Shoreview Municipal Code is amended to read as follows (New language is underlined and highlighted red; ~~red-stricken text is proposed for deletion~~):

CHAPTER 10 BUSINESSES

ARTICLE II. LICENSING

Sec. 10-32. Background investigations

(b) The county sheriff's office is hereby required, as the exclusive law enforcement agency for the city, to do a criminal history background investigation on the applicants for the following licenses within the city:

- (1) Liquor licenses.
- (2) Tobacco licenses.
- (3) Mobile vendor permits.
- (4) Solicitor registrations.
- (5) Massage therapy licenses.
- (6) Pawnbroker licenses.

(7) Cannabis registrations

ARTICLE IV. CANNABIS BUSINESSES

Section 10-99. Administration

(a) *Purpose.*

- (1) The purpose of this ordinance is to implement the provisions of Minnesota Statutes ~~151.72 and~~ chapter 342, which authorizes the City of Shoreview to protect the public health, safety, welfare of Shoreview residents by regulating cannabis ~~and edible-cannabinoid~~ businesses within the legal boundaries of Shoreview.
- (2) The Shoreview City Council finds and concludes that the proposed provisions are appropriate and are in the public interest and for the public good.

(b) *Enforcement.* The city manager or their designee is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as

defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

Section 10-100. Definitions.

- (a) Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions.
- (b) Words and phrases contained in Minn. Stat. 151.72 and 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.

Approved products: Any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and lower-potency hemp edibles that are a product category approved by the Office of Cannabis Management and that comply with Chapter 342 and rules adopted pursuant to Chapter 342 regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and lower-potency hemp edibles. "Approved Products" does not include medical cannabinoid products, as defined in Minn. Stat. Ch. 342.

Attractive to underage persons: Products that are attractive to individuals under age 21 as described in Minn. Stat. § 342.62, subd. 3, and products prohibited under Minn. Stat. § 342.06 (d), as may be amended from time to time.

Cannabis cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Cannabis retail businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, or lower-potency hemp edible retailers.

Cannabis retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling approved products to a consumer and not for the purpose of resale in any form.

Child-resistant. Packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

Compliance checks: The system the city uses to investigate and ensure that those authorized to sell approved ~~or edible cannabinoid~~ products are following and complying with the requirements of this ordinance. Compliance checks shall involve the use of persons under the age of 21 as authorized by this ordinance. Compliance checks shall also mean the use of persons under the age of 21 who purchase or attempt to purchase approved ~~or edible~~

~~cannabinoid~~ products for educational, research, and training purposes as authorized by state and federal laws. Compliance checks may also be conducted by other units of government for the purpose of investigating or enforcing appropriate federal, state or local laws and regulations relating to approved ~~or edible cannabinoid~~ products.

~~*Edible cannabinoid product: As defined under Minn. Stat. 151.72 subd. 1*~~

Electronic delivery device: Any product containing or delivering nicotine, lobelia, or any other substance, whether natural or synthetic, intended for human consumption through the inhalation of aerosol or vapor from the product. Electronic delivery device includes, but is not limited to, devices manufactured, marketed, or sold as e-cigarettes, e-cigars, e-pipes, vape pens, mods, tank systems, or under any other product name or descriptor. Electronic delivery device includes any component part of a product, whether or not marketed or sold separately. Electronic delivery device does not include any nicotine cessation product that has been authorized by the U.S. Food and Drug Administration to be marketed and for sale as "drugs," "devices," or "combination products," as defined in the Federal Food, Drug, and Cosmetic Act.

Flavored product: Any cannabis flower, cannabis product, hemp-derived consumer product or medical cannabinoid product intended to be inhaled as smoke, aerosol, or vapor from the product that: (1) contains any added artificial, synthetic, or natural flavoring, either in the product itself or in its components or parts; (2) presents any descriptor or depiction of flavor that would imply to an ordinary person that the product contains flavors other than the natural taste or smell of cannabis; (3) imparts a taste or smell, other than the taste or smell of cannabis, that is distinguishable by an ordinary consumer prior to or during the consumption of the product; or (4) imparts a cooling, a burning, a numbing, or another sensation distinguishable by an ordinary consumer to impart a flavor other than cannabis either prior to or during the consumption of the product.

Indoor area: All space between a floor and a ceiling that is bounded by walls, doorways, or windows, whether open or closed.

Lower-potency hemp edible: As defined under Minn. Stat. 342.01 subd. 50.

Moveable place of business: Any form of business operated out of a truck, van, automobile or other type of vehicle or transportable shelter, by any other nonpermanent means, and not a fixed address store front or other permanent type of structure authorized for sales transactions.

Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

Place of public accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

Preliminary license approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.

Public place: A recreational area as defined in section 26-22 or any other indoor or outdoor area owned, held in trust, dedicated, or otherwise deemed property of the City of Shoreview. Public place shall include bikepaths, trailways, and sidewalks owned by or dedicated for use to the City of Shoreview.

Retail registration: An approved registration issued by the City of Shoreview to a state-licensed cannabis retail business.

Sale: Any transfer of goods for money, trade, barter or other consideration.

Sample: Refers to any approved products or medical cannabinoid products that are offered free of charge or for sale at a nominal cost.

Secondary retailer: Any place of business that requires a state license or registration solely because the retailer sells lower-potency hemp edible ~~or edible cannabinoid~~ products and for whom the sale of these products results in less than a majority of its retail sales. The phrase shall include but not limited to grocery stores, convenience stores, restaurants, and drug stores.

Self-service merchandising: Open displays of approved ~~or edible cannabinoid~~ products in any manner where any person shall have access to the approved ~~or edible cannabinoid~~ products, without the assistance or intervention of the licensee or the licensee's employee. The assistance or intervention shall entail the actual physical exchange of the approved ~~or edible cannabinoid~~ products between the customer and the licensee or employee. Self-service sales are interpreted as being any sale where there is not an actual physical exchange of the product between the licensee's employee or licensee and the customer.

Smoking: Inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated product containing, made, or derived from nicotine, tobacco, cannabis, or other substance, whether natural or synthetic, that is intended for inhalation. Smoking also includes carrying or using an activated electronic delivery device. "Smoking" does not include the use of traditional, or sacred, tobacco used by any American Indian, Indigenous, and Alaska Native communities for spiritual and medicinal purposes.

State license: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Vending machine: Any mechanical, electric or electronic, or other type of device which dispenses approved ~~or edible cannabinoid~~ products upon the insertion of money, tokens or other form of payment directly into the machine by the person seeking to purchase the approved ~~or edible cannabinoid~~ product.

Section 10-101. Registration of cannabis businesses

- (a) *State license or registration required.* No individual or entity shall sell or offer to sell any approved product or medical cannabinoid product without first having obtained a license, registration, or retail endorsement to do so from the OCM.
- (b) *Registration required*
 - (1) No individual or entity may operate a state-licensed cannabis retail business without first registering with the city. This includes secondary retailers.
 - (2) Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of up to \$2,000 for each violation.
- (c) *Compliance checks prior to retail registration*
 - (1) Prior to issuance of a cannabis retail business registration, the city shall conduct a preliminary check to ensure compliance with local ordinances, including zoning.
 - (2) Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, the city shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.
- (d) *Registration and application procedure*
 - (1) *Application submittal.* An applicant for a retail registration shall fill out an application form, as provided by the city. The form shall include, but is not limited to:
 - a. Full name of the property owner and applicant.
 - b. Applicant's residential and business addresses, mailing addresses, email addresses, and telephone numbers.
 - c. The address for the property which the retail registration is sought.
 - d. The business name for which the registration is sought.
 - e. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.
 - f. Any additional information the city deems necessary
 - g. The applicant shall include with the form:
 - 1. The application fee as required in section 10-~~103104~~.
 - 2. A copy of a valid state license or written notice of OCM license preapproval.
 - 3. Certificate of liability insurance as outlined in section 10-30.
 - 4. A written description of the type of business which will be conducted, services to be offered, and items to be sold on the licensed premises.

5. A drawing to scale showing the floor plan of the premises proposed for licensing.
- h. Once an application is considered complete, the city clerk shall forward the application to the city council for approval or denial at its next regularly scheduled city council meeting, provided it's at least three business days before the meeting.
- i. The application fee shall be non-refundable once processed.

(2) *Application approval*

- a. A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under section 10-101, paragraph h.
- b. A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.
- c. A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

(e) *Registration renewal.* A state-licensed cannabis retail business shall apply to renew registration on a form established by the city. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current registration.

~~(1) The city shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.~~

(f) *Suspension of registration.* Any registration issued under this section may be suspended as provided in section 10-~~114115~~.

(g) *Basis for denial of registration*

(1) Grounds for denying the issuance or renewal of a registration under this chapter include but are not limited to the following:

- a. The applicant is under the age of 21 years.
- b. The applicant does not have a valid retail license, preapproved license, or retail endorsement from the OCM.
- c. The applicant fails to provide any information required on the application, or provides false or misleading information.
- d. The applicant is prohibited by federal, state, or other local law, ordinance, or other regulation from holding a registration.

(2) No registration will be approved unless the premises proposed to be licensed complies with all applicable zoning requirements.

- (3) However, except as may otherwise be provided by law, the existence of any particular ground for denial does not mean that the city must deny the registration.
- (4) If a registration is mistakenly issued or renewed to a person, it shall be revoked upon the discovery that there were grounds for denial of the license pursuant to paragraph (h).

(h) *Limiting of registrations*

- (1) The city shall limit the number of cannabis retail businesses to no more than three registrations; except that there is no limit on the number of registrations for secondary retailers.
- (2) If Ramsey County has one active cannabis retail businesses registration for every 12,500 residents, the city shall not be required to register additional state-licensed cannabis retail businesses.

~~Section 10-102. Edible cannabinoid sales~~

- ~~(a) *License required.* No person shall sell or offer to sell any edible cannabinoid products without first having obtained a license to do so from the city.~~
- ~~(b) *Application.* An application for a license to sell edible cannabinoid products shall be made on a form provided by the city. The form shall include, but is not limited to:
 - ~~(1) Full name of the property owner and applicant.~~
 - ~~(2) Applicant's residential and business addresses, mailing addresses, email addresses and telephone numbers.~~
 - ~~(3) The address for the property which the license is sought.~~
 - ~~(4) The name of the business for which the license is sought.~~
 - ~~(5) Any additional information the city deems necessary.~~
 - ~~(6) The applicant shall include with the form:
 - ~~a. The application fee as required in section 10-104.~~
 - ~~b. Certificate of liability insurance as outlined in section 10-30.~~~~
 - ~~(7) Once an application is considered complete, the city clerk shall forward the application to the city council for action at its next regularly scheduled city council meeting, provided it's at least three business days before the meeting. If the city clerk determines that an application is incomplete, they shall return the application to the applicant with notice of the information necessary to make the application complete.~~~~
- ~~(c) *Action.* The city council may either approve or deny the license, or it may delay action for a reasonable period of time as necessary to complete any investigation of the application.~~

~~or the applicant it deems necessary. If the city council shall approve the license, the city clerk shall issue the license to the applicant. If the city council denies the license, notice of the denial shall be given to the applicant along with notice of the applicant's right to appeal the city council's decision.~~

- ~~(d) *Term.* All licenses issued under this section shall be valid for the calendar year during which it is approved.~~
- ~~(e) *Revocation or suspension.* Any license issued under this section may be revoked or suspended as provided in section 10-115.~~
- ~~(f) *Renewals.* The renewal of a license issued under this section shall be handled in the same manner as the original application. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current license.~~
- ~~(g) *Issuance as privilege and not a right.* The issuance of a license issued under this section shall be considered a privilege and not an absolute right of the applicant and shall not entitle the holder to an automatic renewal of the license.~~
- ~~(h) *Basis for denial of license.*~~
 - ~~(1) Grounds for denying the issuance or renewal of a license under this chapter include but are not limited to the following:~~
 - ~~a. The applicant is under the age of 21 years.~~
 - ~~b. The applicant has been convicted, received diversion, or dismissal with conditions, within the past five years or a pending criminal charge for any violation of a federal, state, or local law, ordinance provision, or other regulation relating to edible cannabinoid products or controlled substances.~~
 - ~~c. The applicant has had a license to sell edible cannabinoid products revoked within the preceding 12 months of the date of application.~~
 - ~~d. The applicant fails to provide any information required on the application, or provides false or misleading information.~~
 - ~~e. The applicant is prohibited by federal, state, or other local law, ordinance, or other regulation from holding a license.~~
 - ~~(2) No license will be approved unless the premises proposed to be licensed complies with all applicable zoning requirements.~~
 - ~~(3) However, except as may otherwise be provided by law, the existence of any particular ground for denial does not mean that the city must deny the license.~~
 - ~~(4) If a license is mistakenly issued or renewed to a person, it shall be revoked upon the discovery that there were grounds for denial of the license pursuant to paragraph (H).~~

Section 10-~~102103~~. Temporary cannabis events

- (a) *License required.* No person shall hold a temporary cannabis event without first having obtained a license to do so from the city.
- (b) *Application submittal.* An applicant for a temporary cannabis event shall fill out an application form as provided by the city. The form shall include, but is not limited to:
 - (1) Full name of the property owner and applicant.
 - (2) Applicant's residential and business addresses, mailing addresses, email addresses, and telephone numbers.
 - (3) The address for the property where the event will take place.
 - (4) The organization coordinating the event and their address, email address, and telephone number.
 - (5) The name of the temporary cannabis event.
 - (6) Certification that the applicant will comply with the city ordinance requirements and standards set forth in M.S.A.342.40
 - (7) Any additional information the city deems necessary
 - (8) The applicant shall include with the form:
 - a. The application fee as required in section 10-104.
 - b. Written permission from the property owner.
 - c. A copy of the OCM cannabis event license application and required attachments submitted pursuant to M.S.A. 342.39, subd. 2.
 - d. Certificate of liability insurance as outlined in section 10-30.
 - (9) Once an application is considered complete, the city clerk shall forward the application to the city council for approval or denial at its next regularly scheduled city council meeting, provided it's at least three business days before the meeting.
 - (10) The application fee shall be non-refundable once processed.
 - (11) *Application approval.*
 - a. A request for a temporary cannabis event that meets the requirements of this section shall be approved.
 - b. A request for a temporary cannabis event that does not meet the requirements of this section shall be denied. The city shall notify the applicant of the standards not met and basis for denial.
 - (12) *Temporary cannabis event requirements.*

- a. Temporary cannabis events shall not be held on any public place as defined in section 34-156.
- b. Temporary cannabis events shall only be held between the hours of 8 am – 10 pm Monday – Saturday and 10 am – 9 pm on Sunday.
- c. On-site consumption is prohibited.
- d. Temporary cannabis events shall not last longer than four days.

Section 10-~~103104~~. Fees

No registration, license, or renewal shall be issued under this article until the appropriate fee is paid in full. The fee for a registration, license, or renewal under this article is established in the city fee schedule.

Section 10-~~104105~~. Hours of operation

- (a) *Cannabis businesses.* Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 8 am – 10 pm, Monday – Saturday and 10 am – 9 pm on Sunday.
- (b) *Secondary retailers.* Secondary retailers may sell lower-potency hemp edible ~~or edible-cannabinoid~~ products during regular business hours.

Section 10-~~105106~~. Minimum employee age.

Individuals employed by a registered retail establishment and medical cannabis combination business must be at least 21 years of age to sell ~~and/or handle~~ approved products and medical cannabinoid products.

Section 10-~~106107~~. Prohibited sales

- (a) *Generally.* Any sale in violation of Minn. Stat. § 151.72 and chapter 342 is prohibited. In general, it shall be a violation of this article for any person to sell or offer to sell any approved ~~or edible-cannabinoid~~ products:
 - (1) By means of any type of vending machine.
 - (2) By means of self-service sales or display. It shall be unlawful to allow the sale of approved ~~or edible-cannabinoid~~ products by any means whereby the customer may have access to those items without having to request the item from the employee and whereby there is not a physical exchange of the products between the employee and the customer. All approved ~~or edible-cannabinoid~~ products shall either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the general public.

a. Retail businesses that prohibit persons under 21 years of age from entering at all times may store lower-potency hemp edibles intended to be consumed as a beverage in an area open and accessible to the public.

(3) By any other means, to any other person, or in any other manner or form prohibited by federal, state or other local law, ordinance provision, or other regulation.

(b) *Legal age.* No person shall sell or furnish any approved ~~or edible cannabinoid~~ product to any person under the age of 21.

(1) *Age verification.* Registrants or licensees must verify by means of government-issued photographic identification containing the bearer's date of birth that the purchaser is at least 21 years of age. Verification is not required for a person over the age of 30. That the person appeared to be 30 years of age or older does not constitute a defense to a violation of this subsection.

(2) *Signage.* Notice of the legal sales age, age verification requirement, and possible penalties for underage sales must be posted prominently and in plain view at all times at each location where approved ~~or edible cannabinoid~~ products are offered for sale. The required signage must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase.

(c) *No admittance of any person under age 21.* Except as provided under MN. Stat. 342, individuals under the age of 21 are prohibited from entering registered retail establishments. This provision does not apply to secondary retailers.

(d) *Packaging and labeling requirements.*

(1) No person shall sell or furnish any approved ~~or edible cannabinoid~~ product that does not comply with packaging and labeling requirements under Minn. Stat. 342.62 and 342.63, except that:

a. No lower-potency hemp edible beverage may be sold outside of its original packaging.

b. No lower-potency hemp edible product may be sold that does not indicate a single-serving by scoring or use of another indicator that appears on the product. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container.

(2) All sales of any approved products and medical cannabinoid products must be packaged in child-resistant packaging. Upon request by the city, a retail business must provide a copy of the certificate of compliance or full laboratory testing report for the packaging used.

- (e) *Sales of other products.* Registered cannabis retail businesses and medical cannabis combination businesses are limited to selling only the products allowed under Minn. Stat. § 342.27 subd. 3. The sale of any products other than approved products by registered retailers must comport with all requirements of state law.
- (f) *Products that are attractive to underage persons.* No person shall sell or offer for sale any approved products and medical cannabinoid products that are attractive to underage persons. This includes but is not limited to products that:
 - (1) are or appear to be a lollipop or ice cream;
 - (2) bear the likeness or contain characteristics of a real or fictional person, animal, or fruit; or
 - (3) are modeled after a type or brand of products primarily consumed by or marketed to children.
- (g) *Flavored products.* No person shall sell or offer for sale any flavored products intended to be inhaled as smoke, aerosol, or vapor. This restriction does not apply to retail businesses that:
 - (1) Prohibit persons under 21 years of age from entering at all times; and
 - (2) Derive at least 90 percent of their revenues from the sale of approved products; and
 - (3) Meet all of the following building or structural criteria:
 - a. Share no wall with, and have no part of their structure adjoined to any other registered or licensed retailer, unless the wall is permanent, completely opaque, and without doors, windows, and pass-throughs to the other registered or licensed retailer;
 - b. Is accessible by the public only by an exterior door.

Section 10-~~107408~~. Compliance checks and inspections

All registered or licensed premises must be open to inspection by law enforcement or other authorized city officials during regular business hours. The city will conduct at least two compliance check per calendar year. In accordance with state law, the city will conduct a compliance check that involves the participation of a person at least 17 years of age, but under the age of 21 to enter the licensed premises to attempt to purchase approved ~~or edible-~~ **cannabinoid** products. Prior written consent from a parent or guardian is required for any person under the age of 18 to participate in a compliance check. Persons used for the purpose of compliance checks will be supervised by law enforcement or other designated personnel. Any failures under this section must be reported to the OCM.

Section 10-~~108109~~. Prohibited furnishing or procurement

It is a violation of this ordinance for any person 21 years of age or older to purchase or otherwise obtain any approved ~~or edible cannabinoid~~ product on behalf of a person under the age of 21. It is also a violation for any person 21 years of age and older to coerce or attempt to coerce a person under the age of 21 to purchase or attempt to purchase any approved product.

Section 10-~~109110~~. Transfers

All registrations or licenses issued under this ordinance shall be valid only on the premises for which the registration or license was issued and only for the person or entity to whom the license was issued. No transfer of any registration or license to another location or entity shall be valid.

Section 10-~~110111~~. Place of business

No registration or license shall be issued to a moveable place of business. Only fixed location businesses shall be eligible to be registered or licensed under this section. Home occupations pursuant to section 111-3 shall not be eligible for a registration or license.

Section 10-~~111112~~. Display

All registrations or licenses shall be posted and displayed in plain view of the general public on the licensed premise.

Section 10-~~112113~~. On-site consumption

(a) On-site consumption, including smoking, of approved ~~or edible cannabinoid~~ products shall not be permitted within the indoor or outdoor area of any retail establishment except as outlined below. Consuming approved ~~or edible cannabinoid~~ products for the purposes of sampling is prohibited.

- (1) On-site consumption of lower-potency hemp edible ~~edible cannabinoid~~ products is allowed in establishments that hold both a retail registration ~~an edible cannabinoid license~~ and on-sale liquor license.

Section 10-~~113114~~. Responsibility

All licensees under this chapter shall be responsible for the actions of their employees in regard to the sale of approved ~~or edible cannabinoid~~ products on the licensed premises, and the sale of an item by an employee shall be considered a sale by the license holder. Nothing in this section shall be construed as prohibiting the city from also subjecting the employee to whatever penalties are appropriate under this chapter, state or federal law, or other applicable law or regulation.

Section 10-~~114115~~. Administrative penalty

(a) Any violation of the city's regulations relating to the issuance of a registration or license required by this ordinance, or any violation of any conditions/restrictions attached to the

issuance of such registration or license, shall be cause for the imposition of an administrative fine, the suspension of a registration or license, or the revocation of the license pursuant to the procedures described in section 10-24.

- (b) Any registered business or licensee found to have violated this ordinance, or whose employee violated this ordinance, will be subject to the following administrative fines, suspensions, or revocation:
- (1) The first such violation shall subject the registered business or licensee to the payment of an administrative fine of \$300 plus an additional compliance check;
 - (2) The second violation within 36 months shall subject the registered business or licensee to the payment of an administrative fine of \$600 plus an additional compliance check;
 - (3) The third violation within 36 months shall subject the registered business or licensee to the payment of an administrative fine of \$1,000 and to a minimum seven (7) business-day suspension of the license;
 - (4) The fourth violation within 36 months shall subject the registered business or licensee to the payment of an administrative fine of \$1,500 and to a minimum fifteen (15) business-day suspension of the license;
 - (5) The fifth and additional violations within 36 months shall subject the registered business or licensee to the payment of an administrative fine of \$2,000 and to a minimum of thirty (30) business-day suspension of the license.
 - ~~(6) The sixth violation within 36 months shall be cause for revocation of the edible-cannabinoid license for up to one year.~~
- (c) *Suspension of a registration.*
- (1) *When suspension is warranted.* The city council may suspend a cannabis retail business's registration if it violates the ordinance or poses an immediate threat to the health or safety of the public. The city shall immediately notify the cannabis retail business in writing the grounds for the suspension.
 - (2) *Notification to OCM.* The city shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the city and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.
 - (3) *Length of suspension.*
 - a. The suspension of a cannabis retail business registration may be for up to 30 calendar days as outlined in paragraph b above, unless OCM suspends the

- license for a longer period. The business may not make sales to customers if their registration is suspended.
- b. The city may reinstate a registration if it determines that the violations have been resolved.
 - c. The city shall reinstate a registration if OCM determines that the violation(s) have been resolved.

Section 10-~~115~~~~116~~. Procedure

- (a) The following procedures should generally be followed for council review of registration or license violations that are subject to the administrative penalties established in sections 10-115 and 10-117.
 - (1) The city manager or designee will contact the registered business or licensee asking if they will sign an admission of the facts of the alleged violation and an acceptance of the administrative penalty listed in sections 10-115 and 10-117. Registered businesses or licensees have the right to request a hearing before the city council if they are not in agreement with the violation or the administrative penalty. The city manager may also schedule a hearing before the council if they believe there is a valid reason to deviate from the administrative penalty.
 - (2) If a hearing is requested, it will be conducted in accordance with the Administrative Procedure Act, Minn. Stat. §§ 14.57 to 14.70. The council will issue written findings on the alleged violation and an order imposing sanctions, if any.
 - (3) If the registered business or licensee and the city manager agree on the violation and the administrative penalty, a written admission will be provided to the council with a proposed order. For first and second violations, the matter will be scheduled as part of the consent agenda, and it is expected that the council will generally issue the proposed order without discussion. Nevertheless, the council may choose to schedule the matter for special council review and action. The city must provide at least ten (10) days' notice to the registered business or licensee before this review is conducted. Any violations beyond the second violation must be scheduled for a hearing before the council.

Section 10-~~116~~~~117~~. Exceptions and defenses

Nothing in this article shall prevent the providing of approved ~~or edible cannabinoid~~ products to a person under 21 as part of a lawfully recognized religious, spiritual, or cultural ceremony. It shall be an affirmative defense to the violation of this article for a person to have reasonably relied on proof of age as described by state law.

Adoption Date: Passed by the city council of the City of Shoreview on the 1st day of December, 2025.

Effective Date: This ordinance shall become effective January 1, 2026.

Publication Date: Published on the 16th day of December, 2025.

Sue Denkinger, Mayor

Attest:

Brad Martens, City Manager

SEAL